

FISCAL NOTE

Bill #: HB0400

Title: Increase minimum weekly unemployment benefit

Primary Sponsor: Keane, J

Status: As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
Other (UI Trust Fund)	\$339,500 to \$1,062,371	\$353,080 to \$1,104,866
Revenue:		
Other (UI Trust Fund)	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Labor & Industry (DLI)

1. HB 400 increases the minimum weekly benefit amount to 19 percent (from the current 15 percent) of the average weekly wage.
2. Over the past four years, the average weekly wage has increased by approximately four percent each year. For purposes of this fiscal note, the department assumes the four percent trend will continue.
3. In CY 2004, claimants filed 23.8 percent fewer claims and claimed 21 percent fewer weeks than in previous years. For purposes of this fiscal note, the department assumes the decrease in number of claims filed and weeks claimed will continue through the 2007 biennium.
4. The average weekly wage in FY 2004 was \$503.88. The minimum weekly benefit amount in FY 2004 was \$75.00 ($\503.88×0.15).
5. Based upon the four percent trend outlined above, the department estimates the average weekly wage in FY 2006 at \$524.03 ($\$503.88 \times 1.04 = \524.03). Under current law, the minimum weekly benefit amount for FY 2006, based on \$524.03, is projected to be \$78 ($\524.03×0.15). HB 400 would increase the minimum weekly benefit amount to \$99 ($\524.03×0.19).

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(continued)

6. Based upon the four percent trend, the department estimates the average weekly wage in FY 2007 at \$544.99 ($\$524.03 \times 1.04 = \544.99). The minimum benefit amount in FY 2007 under HB 400 is estimated at \$103 ($\544.99×0.19).
7. Based upon actual claims filed in FY 2004, the department estimates that 3,582 claimants would experience an increase in their weekly benefit amount as a result of HB 400 (3,582 claimants currently receive somewhere between \$75 per week and \$98 per week).
8. CY 2004 data indicates that all unemployment insurance claimants drew an average of 15 weeks of benefits. The same data indicates that the population of claimants most likely to be impacted by HB 400 (of whom there are 3,582 claimants) drew an average of 5 weeks of benefits in CY 2004.
9. Based upon CY 2004 actual data, the department estimates it would pay a **minimum** (5 weeks worth) of \$339,500 in additional benefits to claimants as a result of HB 400 in FY 2006.
10. Based upon CY 2004 actual data, the department estimates it would pay a **maximum** of (15 weeks worth) \$1,062,371 in additional benefits to claimants as a result of HB 400 in FY 2006.
11. Based upon the four percent increase in average weekly wage per year, the department estimates it would pay a **minimum** of \$353,080 ($\$339,500 \times 1.04$) and a **maximum** of \$1,104,866 ($\$1,062,371 \times 1.04$) in FY 2007.
12. The department would absorb any workload increases associated with implementation of HB 400.

FISCAL IMPACT:

	FY 2006 <u>Difference</u>	FY 2007 <u>Difference</u>
<u>Expenditures:</u>		
Benefits	\$339,500 to \$1,062,371	\$353,080 to \$1,104,866
<u>Funding of Expenditures:</u>		
Other (UI Trust Fund)	\$339,500 to \$1,062,371	\$353,080 to \$1,104,866
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
Other (UI Trust Fund)	(\$339,500) to (\$1,062,371)	(\$353,080) to (\$1,104,866)